



**Statement of Emmett D. Carson, Ph.D.**  
**CEO of Silicon Valley Community Foundation**  
**The Importance of Preserving Incentives for Charitable Giving**  
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I am writing to urge the Ways and Means Committee to protect the charitable deduction that, for nearly 100 years, has provided our nation with a vital source of funding for unmet social needs, for investment in our communities and to support the most vulnerable Americans.

In announcing this hearing, the Hon. Dave Camp, (R-MI) Chairman of the Committee, stated, “Public charities and private foundations perform invaluable services for our society, especially during this time of economic slowdown and high unemployment. These organizations depend upon the goodwill of the American people – the most giving and charitable people in the world. Because of the critical role that charities play, the Committee must hear directly from the charitable community before considering any proposals as part of comprehensive tax reform that might impact their ability to obtain the resources they need to fulfill their missions.”

As Chairman Camp noted, the nonprofit sector, which now employs 10 percent of Americans, relies on those who give to provide the charitable capital needed to create jobs, to provide a wide array of social services, to promote arts and culture and to try new things. With national unemployment still near 8 percent, now is not the time to limit charitable deductibility.

Nearly \$300 billion in charitable contributions are made by Americans annually to restore our education system, to address the many causes of poverty and to support organizations that serve those most in need. The truth is that we need more people to give, not fewer. Limiting the incentive to give will only hurt those who most need our help.

It is clear that the nation's future social and economic health demands a balanced fiscal approach of raising new revenue, including increases in some tax rates and cutting some expenses. To suggest anything else is not realistic or responsible. However, the cuts and reforms we choose are critical because they are a reflection of our nation's values and priorities.

I believe the charitable deduction should be viewed as a source of innovation for social benefit, not as an expense to be cut. The charitable deduction's role in sparking innovation and providing solutions to the problems our country faces is too important to put at risk. Capping the deduction would reduce giving, perhaps as much as \$7 billion, according to some estimates. That is capital that has helped breathe new life into struggling communities and created the kind of social innovation that can help reinvigorate America.

As CEO of Silicon Valley Community Foundation, I have the privilege of seeing the tremendous impact individual and corporate giving has in making our communities better. I encourage the committee to protecting the itemized deduction for charitable contributions. Today, we need charitable capital more than ever. And we need every American who is able and willing to give back and help make our schools, our communities, our regions and our country better today and in the years ahead.